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Know Your SCHOOL

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Know How Your Schools Are Financed

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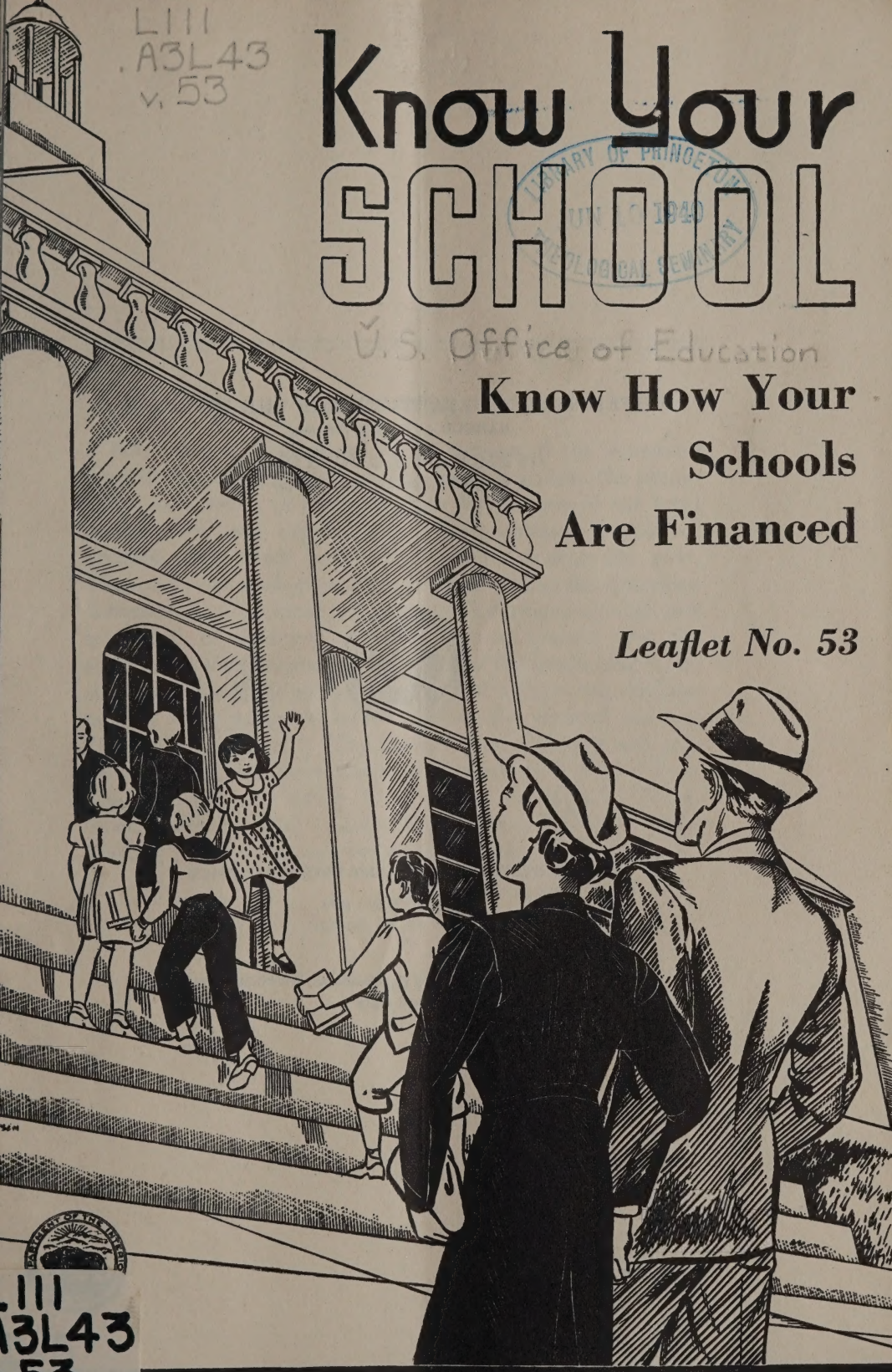

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United States Department of the Interior • *Office of Education*

UNITED STATES DEPARTMENT OF THE INTERIOR

HAROLD L. ICKES, *Secretary*

OFFICE OF EDUCATION

J. W. STUDEBAKER, *Commissioner*

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FOREWORD

The Office of Education, at the request of the American Association of University Women last year, began the preparation of a series of study outlines for the use of the local branches of that organization. Four outlines in mimeographed form were issued at intervals during the year. They met with such good response, not only by the American Association of University Women but by other organizations interested in studying the public-school system, that the supply was soon exhausted. In view of the continuing interest, the Office of Education has decided to have the outlines printed as a series of leaflets under the general heading "Know Your School." The titles of the outlines already prepared are "Know Your Board of Education," "Know Your Superintendent," "Know Your School Principal," "Know Your Teacher," and "Know Your School Child." Other outlines in the series will be issued at intervals this year.

Bess Goodykoontz,
Assistant Commissioner of Education.

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THEOLOGICAL SEMINARY

KNOW HOW YOUR SCHOOLS ARE FINANCED

By TIMON COVERT
Specialist in School Finance

HOW CAN the schools be supported within reason and with justice for all? Probably no other question of government has been so constantly before the American people during the last 30 years.

This manuscript deals with some of the relevant considerations with respect to problems of school finance and explains how some of the basic problems are being met. Questions which appear as topic headings are ones which constantly confront school patrons, parents, and taxpayers. An understanding of them is important to the welfare of education as well as to the welfare of government in general.

Is there a Government responsibility for school support?

The United States Constitution does not name education as a function of the National Government. Therefore, by virtue of the Tenth Amendment to that document, education is one of the powers reserved to the individual States. But it is important to note that the Federal Government has materially and fairly consistently aided the several State governments in their efforts to provide educational facilities; it has also engaged directly in educational activities for many years.

Considerable time elapsed, however, after the Federal Government had been established before the people of the new States, through their law-making bodies, assumed responsibility for education. This was due to the fact that the people faced difficult and numerous problems of establishing a new nation and were not generally aware of the need for universal education. During colonial days public taxation for general education was the exception rather than the rule and the people of the new nation were cautious about assuming this additional burden of government; its acceptance was gradual, particularly by the State governments.

What are the basic principles of American Government underlying plans for public-school support?

In the early period of our country's life the first tax-supported schools were established and supported practically entirely by local initiative and effort. Later as the people had become convinced that the education of children is a matter of such importance to the general welfare under our form of government that it is of State-wide significance and as each Commonwealth had expressed this conviction in the establishment of a State system of public schools, local communities still retained—under such direction and assistance as the State chose to give—freedom to work out many details of their own problems in school management and support. This became the distinctive American method of social and educational development and in it we find the origin of one of the two fundamental principles upon which our public-school systems are built.

I. *The first basic principle.*—In our concept of government the first principle to which we turn for guidance when preparing plans for public-school finance is that *provision for free education in the form of tax-supported schools for all youth in need thereof is a primary responsibility of the State government.* The conviction of the American people is that universal understanding of civic problems is so vital to the welfare of our form of society and government that the opportunity for children to acquire such understanding must not depend upon the good will of special groups of citizens or even upon the will of local districts.

Local school administrative units are provided by the State to serve as its agent. These local units are necessary in the first place because it would be impracticable for the State to undertake all the details of conducting and administering the schools. In the second, they are provided in order that localities may exercise all possible freedom in determining school policies, since the distinct and cherished American way of social development is through local group activity.

II. *The second basic principle.*—Although as a general fiscal policy, maximum tax limitations have been fixed in

the majority of the States, and in a number of instances minimum local school-tax levies are required by the States, the principle that *each community shall be permitted to tax itself for school purposes* is universally recognized and is firmly established by statutory law and court decisions in all States. This is interpreted as meaning that, under the general oversight of the State, local autonomy may be exercised in matters of detail concerning the conduct of the schools, management of the school program, and with respect to the question of improving the educational program at local expense.

If these principles are commonly recognized in legal documents of the States, how can we explain the variation in State plans for financing education?

The *detailed* manner in which the plans for financing the schools have developed varies greatly among the States and even among communities within the States. This is but natural since the present-day plans are the results of numerous revisions of original plans, each of which was developed by the people of a single State. Even though similar objectives were sought in the different States, no two would necessarily follow exactly the same procedure in realizing the objectives. However, the foregoing principles are recognized in every State and plans for financing the schools are established and revised in conformity with them. Consequently, there is uniformity among the States in the expressed legal responsibility for school support. The following are typical statements of State law regarding the States' responsibilities:

INDIANA. STATE CONSTITUTION: ARTICLE VIII.

1. Common Schools. 1. Knowledge and learning generally diffused throughout a community being essential to the preservation of a free government, it shall be the duty of the general assembly to encourage, by all suitable means, moral, intellectual, scientific, and agricultural improvement, and to provide by law for a general and uniform system of common schools, wherein tuition shall be without charge and equally open to all.

ARKANSAS. STATE CONSTITUTION: ARTICLE 14, SECTION 4:

Free schools. Intelligence and virtue being the safeguards of liberty, and the bulwark of a free and good government, the State shall ever maintain a general, suit-

able, and efficient system of free schools, whereby all persons in the State between the ages of six and twenty-one years may receive gratuitous instruction.

The school laws of each State authorize local tax levies for school purposes. The minimum rate which must be levied is specified in a number of States, but the voters or school authorities are permitted in these as well as in practically all instances to levy more than the required minimum. The following quotation is illustrative:

WYOMING. SCHOOL LAWS: SECTION 184. SCHOOL DISTRICT MEETINGS—POWERS.

5. To vote such sum of money as the meeting shall deem sufficient for any of the following purposes; to supply any deficiency in the fund for the payment of teachers; to purchase or lease a suitable site for a schoolhouse or schoolhouses; to build, rent, or purchase a schoolhouse or schoolhouses, and keep in repair and furnish the same with the necessary fuel and appendages; for procuring libraries for the schools, and books and stationery for the use of the board and district meetings; and for the payment of all other contingent expenses of the district.

Americans have strong convictions regarding the need for and value of public schools. This conviction is of long standing and has resulted in liberal school support as compared with the support of schools in other lands. However, few State legislative assemblies have attempted to provide sufficient funds for all current and capital outlay expenses of the public schools. Funds from State-wide sources are provided for distribution to local schools, but these are usually provided to supplement funds raised by local units rather than to relieve the locality of all such responsibility. Even in the few cases where the State has attempted to support a foundation education program for all communities the local school administrative unit usually has power to tax itself for better facilities than the State's program offers.

Much of our school improvement and educational advance takes place as a result of local interest in and willingness to support good schools. But it does not follow that the State should neglect its part or that State oversight and guidance is not necessary and valu-

able, particularly in maintaining minimum standards in backward or financially weak communities. Incidentally it may be said that problems of school finance have not always received proper attention from the State. At any rate the effectiveness of our public-school systems and the quality of our schools depend upon the ideals and support of local communities working under such guidance and financial assistance as is deemed necessary by each State. This has been and continues to be the American way, but no State plan for financing education remains fixed indefinitely. Consequently, change is taking place in educational programs. We think of the schools of a few decades ago as outgrown institutions. No doubt the schools built by the present generation will appear similarly to future generations. These changes in the schools frequently require revisions in plans for financing education.

QUESTIONS FOR DISCUSSION

1. Why should the State be concerned in the education of children?
2. Should the State provide sufficient funds for the entire support of the public schools? Give reasons for your answer.
3. Should the locality, since the public schools are State schools, help to support them? Give reasons for your answer.
4. Should non-tax-supported schools share in the receipts of local school taxes? Give reasons for your answer.

REFERENCES

MORT, P. R. State support for public schools. New York, N. Y. Teachers college, Columbia university, 1926. 104 p. (School administration series.)

RESEARCH PROBLEMS IN SCHOOL FINANCE. By the research staff and special consultants. Washington, D. C., American council on education. (Report of the National survey of school finance) 1933. 164 p.

UNITED STATES DEPARTMENT OF THE INTERIOR, OFFICE OF EDUCATION. Reorganization of school units. Proceedings of a conference called by the Commissioner of Education, 1935. 91 p. (Bulletin 1935, no. 15.)

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What is the importance of the school budget?

An important part of the work of the board of directors of a school system, irrespective of the size of the system, in planning for the future conduct of the schools, is that of calculating and determining costs and how to meet them. When the decisions have been reached and properly recorded they constitute the basis for the school budget. This document is a statement and explanation of a projected educational program, including the costs thereof, in the light of comparable preceding programs and financial transactions. Those interested in the business affairs of and general plans for school finance turn to it for information. A school budget serves best, of course, when presented in enough detail to enable laymen, as well as the schoolman and officials preparing it, to understand the need for and costs of various items of school expense and how such costs are to be met.

Professor DeYoung lists 12 services rendered by the school budget as follows:

1. The budget is a servant of education.
2. It gives an overview.
3. It aids in analysis.
4. It develops cooperation within the schools.
5. It stimulates confidence among the taxpayers.
6. It estimates the receipts.
7. It determines the tax levy.
8. It authorizes expenditures.
9. It aids in administering the school economically.
10. It improves accounting procedures.
11. It aids in extra-curricular activities.
12. It projects the school into the future.

QUESTIONS FOR INVESTIGATION AND DISCUSSION

1. Who inaugurates your school budget?
2. Is it discussed in open board meeting?
3. Would you, if a member of the board of education, invite school patrons to criticize the budget? Give reasons for your answer.
4. Should a fiscal board or official have authority to revise the school budget? Give reasons for your answer.

REFERENCES

CAMPBELL, R. G. State supervision and regulation of budgetary procedure in public-school systems. New York, N. Y., Teachers college, Columbia university, 1935.

DEYOUNG, CHRIS A. Budgeting in public schools. Garden City, N. Y., Doubleday Doran and co., 1936. 610 p.

FEATHERSTONE, W. B. An analysis of 112 representative city school budgets. School executives magazine, 50:307–309, March 1931.

FOWLKES, J. G. Principles and practices of financial accounting for schools. Milwaukee, Wis., E. M. Hale and co. 1934.

To what extent do the States participate in school support?

All States provide funds from State-wide sources for their public schools. There is great variation among the States, however, in the proportion thus provided. This variation is indicated in the following tabulation:

Percentage of public-school revenue derived from State-wide sources, 1935–36

State	*Percent*	*State*	*Percent*
Delaware	89. 7	Wyoming	26. 7
North Carolina	85. 1	North Dakota	26. 0
Arizona	73. 0	Maryland	23. 4
New Mexico	60. 4	Missouri	22. 6
Texas	54. 8	Nevada	21. 2
West Virginia	50. 2	Pennsylvania	21. 1
Florida	48. 9	Tennessee	21. 1
South Carolina	48. 0	Vermont	18. 3
Washington	47. 7	Wisconsin	16. 7
California	47. 5	Idaho	12. 3
Louisiana	46. 7	South Dakota	11. 0
Alabama	46. 5	Massachusetts	10. 8
Utah	42. 1	Montana	9. 9
Michigan	41. 7	Illinois	9. 2
Mississippi	40. 7	Connecticut	8. 9
Georgia	39. 6	New Hampshire	7. 5
Kentucky	38. 2	Nebraska	6. 8
New York	36. 9	Rhode Island	5. 9
Arkansas	36. 7	Colorado	3. 3
Ohio	36. 7	New Jersey	2. 5
Minnesota	32. 7	Kansas	2. 2
Oklahoma	32. 6	Oregon	1. 9
Virginia	30. 1	Iowa	1. 6
Maine	29. 9		
Indiana	27. 0	48 States combined	29 3

Each of 24 States provided from State-wide sources 29.9 percent or more of the funds used by their public schools in 1935–36, while each of the other 24 provided 27 percent or less from such sources. One State, Delaware, supplied 89.7 percent; Iowa 1.6 percent; and all taken together supplied 29.3 percent of the public-school funds from State-wide sources.

A similar arrangement of the States for the year 1925–26 shows that only one State paid as much as 50 percent of the public-school costs that year as compared to 6 States 10 years later. This is indicated in the following tabulation:

Number of States distributed according to percent of school funds provided from State-wide sources, 1925–26 and 1935–36

Percent of funds derived from State	Number of States	
	1925–26	1935–36
50 or more	1	6
40 to 49.9	2	9
30 to 39.9	8	8
20 to 29.9	13	9
10 to 19.9	8	5
Less than 10	16	11

It is evident that revisions in plans for financing the public schools during this 10-year period resulted in a number of instances in the State's paying a greater percentage of the cost.

REFERENCES

NATIONAL EDUCATION ASSOCIATION. RESEARCH DIVISION. Five years of State school revenue legislation, 1929–33. Research bulletin Vol. XII, no. 1, January 1934. Washington, D. C. The Association.

State departments of education regular reports show and usually explain increases in State school support.

UNITED STATES DEPARTMENT OF THE INTERIOR. OFFICE OF EDUCATION. Legislative action in 1935 affecting financial support of public education. By Ward W. Keesecker. (Circular No. 158.) (A similar study covering legislative action in 1936 was published in 1937 as Circular letter by the Office of Education.)

——— ——— Statistics of State school systems, 1935–36. (Bulletin 1937, No. 2, vol. II, ch. II.)

——— ——— School administration and finance, 1928–30. (Bulletin 1931, No. 20, vol. I, ch. I.)

Why is the method of distribution of State school funds important?

If the respective State governments provided funds sufficient to pay all expenses of their schools, the cost of each would then be a charge against the State and there would be no complicated problems of equable apportionment. As already indicated, however, local school-taxing units are obliged in practically all instances, to supplement the State funds. Now it so happens that these local units vary greatly in ability to raise their share of the necessary school funds. It is because school districts vary so much in this respect that the principal early method of apportioning State school funds, that is using the number of educables as the basis, does not now result in equalizing school costs.

During recent years much attention has been given to plans for apportioning State school funds which not only will relieve local tax burdens, but will equalize that part of the costs which local districts pay. Consequently, about three-fourths of the States now distribute at least some State funds definitely to equalize the costs of a foundation (legally defined) program among their local school districts. While all States taken together continue to distribute more funds on the bases of such measures of educational need as number of educables, some distribute practically all State school moneys with the express purpose of equalizing costs among poor and rich districts.

In addition to distributing State funds for local tax relief and for equalization purposes, each State provides funds for a third purpose, namely, to promote one or more school activities, services, or facilities, for illustration, funds for the promotion of vocational education. While these are not so important in amount as compared to funds distributed on either of the first two bases discussed, they have filled and do fill an important position in plans for financing the public schools.

QUESTIONS FOR INVESTIGATION AND DISCUSSION

1. What percent of the funds used by your schools last year came from the State? How does that percentage compare with the percentage in 1935–36?
2. Why do some States provide, from State-wide sources, larger percentages of the funds for their schools than do other States?
3. Explain why the States' share of public-school costs increased during the 10-year period ended in 1936.

REFERENCES

National Education Association. Research division. School finance systems. Washington, D. C., 1935. The Association.

United States Department of the Interior, Office of Education. State provisions for equalizing the costs of public education. By Timon Covert. (Bulletin 1936, No. 4.)

Wrightstone, J. W. Stimulation of educational undertakings: A study of school support in New York cities and villages under earmarked and non-earmarked State subsidy plans. New York, N. Y., Teachers college, Columbia university, 1933. (Contributions to education no. 562.)

What are the amounts of funds provided by the various units of Government for the public schools?

The Federal Government.—For many years the Federal Government has regularly provided funds for educational services which are rendered by its own agencies and other funds for distribution to the several States and Territories to assist them with their educational undertakings. Since 1933 emergency funds have been used for educational purposes in the several States and Territories. Elementary and secondary schools share with those of higher grade the benefits of services and funds thus provided. For a list of funds classified according to uses and amounts provided during recent fiscal years, the reader is referred to the following reports by the Office of Education:

Education leaflet no. 30. Federal aid for education, 1935–36 and 1936–37.

Education leaflet no. 54. Federal funds for education, 1937–38.

The State Governments.—As previously indicated each State provides funds from State-wide sources for its

public schools. For the amount which each provided for the year 1935–36 see the following tabulation:

Total revenue and nonrevenue receipts of the public schools, 1935–36

State	Subsidies from educational foundations	Federal	State	County	Local	Total
1	2	3	4	5	6	7
Total	$294,380	$9,849,574	$577,239,303	$150,969,201	$1,428,229,133	$2,166,581,591
Alabama	31,864	215,051	7,813,973	8,848,871	3,506,874	20,416,633
Arizona		45,940	5,145,435	155,527	2,268,242	7,615,144
Arkansas	26,931	170,217	4,606,358	202,812	8,435,088	13,441,406
California		299,944	70,194,708	1,720,109	94,467,964	166,682,725
Colorado		77,654	691,773	5,173,080	16,114,355	22,056,862
Connecticut		84,332	2,707,778		28,469,229	31,261,339
Delaware		45,000	3,898,614		332,469	4,276,083
Florida	9,089	182,546	11,384,466	5,029,157	7,856,224	24,461,482
Georgia		229,457	8,002,219	9,028,025	4,263,296	21,522,997
Idaho		41,308	1,131,433	2,773,655	6,234,238	10,180,634
Illinois		591,692	11,666,322		143,772,344	156,030,358
Indiana		265,162	13,617,683		46,055,837	59,938,682
Iowa		151,479	634,718	1,039,302	41,426,732	43,252,231
Kansas		117,962	558,352	3,593,041	22,430,508	26,699,863
Kentucky		245,217	8,444,818	5,911,665	8,346,276	22,947,976
Louisiana	15,539	202,524	9,782,753	8,601,764	2,937,244	21,539,824
Maine		52,112	2,579,846		6,545,686	9,177,644
Maryland	4,690	101,695	5,684,403	8,066,808	10,589,552	24,447,148
Massachusetts		313,486	8,339,073		68,887,647	77,540,206
Michigan		368,227	38,832,635	353,836	65,398,691	104,953,389
Minnesota		207,132	13,691,692	2,079,179	33,231,263	49,209,266
Mississippi	44,900	133,000	5,103,092	2,270,967	6,517,348	14,069,307
Missouri		289,357	8,613,008	2,183,398	33,797,906	44,883,669
Montana		43,220	1,306,976	2,507,253	9,889,326	13,746,775
Nebraska		158,206	1,304,699	130,782	17,905,788	19,499,475
Nevada		59,441	487,154	1,291,270	980,454	2,818,319
New Hampshire		23,000	517,598		7,238,187	7,778,785
New Jersey		201,460	2,402,356	17,673,744	80,767,299	101,044,859
New Mexico		16,200	4,307,624	1,402,070	2,146,527	7,872,421
New York		727,304	119,038,946		223,610,754	343,377,004
North Carolina		305,949	20,379,847		3,271,646	23,957,442
North Dakota		80,109	2,736,739	2,055,124	6,768,374	11,640,346
Ohio		669,702	43,889,793	1,387,563	82,107,615	128,054,673
Oklahoma		220,819	9,407,971		22,723,071	32,351,861
Oregon		68,854	323,388	4,910,502	16,769,785	22,072,529
Pennsylvania		718,289	34,437,217		162,665,875	197,821,381
Rhode Island		49,541	735,359		12,133,545	12,918,445
South Carolina	40,067	141,521	6,375,050	743,168	7,799,374	15,099,180
South Dakota		37,146	1,330,852		12,336,617	13,704,615
Tennessee	38,296	236,254	4,242,269	12,723,252	4,836,313	22,076,384
Texas	10,400	570,000	33,523,596	6,988,859	24,119,324	65,212,179
Utah		29,140	4,360,011		7,040,323	11,429,474
Vermont		37,250	863,912		4,370,549	5,271,711
Virginia	72,604	453,238	6,663,410	10,882,414	6,921,489	24,993,155
Washington		125,561	14,239,371	2,896,836	13,641,707	30,903,475
West Virginia		76,438	12,858,485	13,104,161		26,039,084
Wisconsin		317,801	7,028,627	4,273,992	33,465,226	45,085,646
Wyoming		52,637	1,352,901	967,015	2,834,952	5,207,505

The county government.—In a few States the county is the paramount unit for school administration and revenue; in some it is an intermediate unit for these purposes. The amounts of receipts for the public schools derived from county-wide sources by States are indicated in the appropriate column of the preceding tabulation.

The local school district unit.—The local school district is the paramount unit in the majority of States for the production of school revenue. If the funds from the State and county are not sufficient for the needs of the schools of a given locality [1] that locality raises the balance which it needs. For this purpose the locality must rely chiefly upon general property taxes whereas the State may use various types of taxes. This is due to the fact that certain types of taxes cannot be administered feasibly by local fiscal officers. See the preceding tabulation for amounts of school receipts from local school districts by States.

QUESTIONS FOR INVESTIGATION AND DISCUSSION

1. For what specific education purposes are funds provided by the Federal Government?
2. When does your school board make a report of its yearly financial affairs to the State officials? Is this report published locally?
3. What part does your county have in supporting your public schools?
4. Who levies local school taxes in your State: (a) Electors at district meeting? (b) Board of education? (c) Fiscal board?
5. Are there minimum and maximum rates of local school taxes in your State?

REFERENCES

A survey of school and municipal finance in the city of Evanston, Illinois. Evanston, Ill., 1937. Published by Northwestern university in cooperation with the United States Office of Education.

[1] In some cases the county constitutes the school district, as in West Virginia, and there may be no subdivision of the county for school-taxing purposes.

UNITED STATES DEPARTMENT OF THE INTERIOR, OFFICE OF EDUCATION. State provisions for equalizing the cost of public education. (Bulletin 1936, No. 4.)

——— ——— State school taxes and State funds for education and their apportionment in seven States, 1934–35. Pamphlet No. 78.

——— ——— Statistics of State school systems, 1935–36. (Bulletin 1937, no. 2. vol. II, ch. II.)

What are the essentials of a satisfactory plan for public-school finance?

Obviously a satisfactory plan for financing the public schools would be one which in a scientific and just manner provides and uses funds sufficient for the support of school facilities adequate for the training of youth in the ways of citizenship under our form of government. The people of each State through their legislature have developed a plan which they consider, not necessarily the most satisfactory, but at least a plan which they have agreed upon. As stated in a preceding section, no plan remains fixed, but each one is revised from time to time as conditions and the convictions of the majority demand. While there are many plans which appear fairly satisfactory, it is probable that no single State plan consists of good features exclusively. However, each undoubtedly has good features.

Experience and study leads those who have worked with the problem a great deal to certain conclusions regarding essential features to include in a plan for financing the public schools. These may be stated in a general way as follows:

I. The Foundation Education Program.

1. *Its scope.*—Since in the final analysis, the State is the unit of government responsible for the support of public education, an essential first step is that of defining the program to be guaranteed by the State; for the State in the first place wants certain standards for all and in the second place it could not, of course, undertake to guarantee any program which a community might desire. Consequently,

the foundation program is limited and defined in scope. Such factors as length of term and teacher-pupil ratios are fixed, qualifications for teachers decided upon, housing facilities defined, transportation and other services outlined.

2. *Its cost.*—Having defined the foundation program it is then necessary to determine what its various parts shall cost. This involves the establishment of State salary schedules for teachers and other school employees, transportation expense allowance, and the cost of various other items of the program for which expense is necessary.

II. Dividing the Cost.

1. *The State's share.*—The State delegates a great deal of the detailed work connected with school administration and that having to do with educational experimentation and improvement to local school districts. It also expects the local districts to help carry the cost. However, since the State desires to have a school program of a certain standard for all youth in the State, the cost of such program is to be shared insofar as possible in an equable manner by all taxpayers of the State. To accomplish this the State provides (1) *teacher, transportation, and supervision funds* for these services wherever they are needed as determined per schedules in the foundation program, by records and reports of local and State officials and distributes these funds as flat grants to the various local school districts; (2) *equalization funds* for those communities only which cannot pay the remainder of the cost of the foundation program in their districts, respectively, with the proceeds of a specified local general property tax levy and from certain other sources, such as local fines.

Most States have distributed funds as flat grants for many years. The majority continues to do so. Equalization funds are now provided by about

three-fourths of the States with the view of equalizing the entire cost of the foundation program among the school districts.

2. *The local district's share.*—As indicated in the preceding paragraph the locality must levy the specified tax rate before it is entitled to State equalization funds. In addition it may levy a higher rate of taxes (not to exceed the statutory limit) as most of them do, to provide better school facilities than outlined in the foundation program.

III. Raising the Funds.

1. *State funds.*—Most States have permanent school funds which are invested. The annual income is distributed to the school districts. The income from certain taxes may be for the schools or appropriations may be made from the State's general fund. Both sources are relied upon.

2. *Local funds.*—Attention has already been called to the fact that local school district revenues, like other local revenues, are derived chiefly from general property taxes. Considerable study of other possible sources of local revenue has been done, but it is generally agreed that the local governments are obliged to rely principally on general property taxes for their public funds.

It may be stated that the State's plan can, of course, include the payments for kindergartens and junior colleges on the same or other bases from those outlined in the preceding paragraphs.

QUESTIONS FOR INVESTIGATION AND DISCUSSION

1. What are your local sources of school revenue?
2. Are there other potential sources of local revenue for the schools?
3. Are school funds being used to the best advantage? (See references re State school finance plans.)
4. Is your State's foundation program adequate for your community? If not, wherein is it inadequate?
5. Upon what legal basis does the State tax wealthy communities for education in poor communities?

6. Should State school funds be distributed for certain branches of learning?
7. Would you favor the schools over other important functions of government by allocating the proceeds of certain taxes to the schools?

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